

ORIGINAL



BEFORE THE ARIZONA CORPORATION
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COMMISSIONERS

KRISTIN K. MAYES - Chairman 2010 JUL 30 P 2: 23
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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

IN THE MATTER OF:

DOCKET NO. S-20719A-09-0583

MORGAN FINANCIAL, L.L.C., an Arizona limited
liability company,

and

Arizona Corporation Commission

DOCKETED

JIMMY HARTGRAVES JR. and LAURIE
HARTGRAVES, husband and wife,

JUL 30 2010

FIFTH
PROCEDURAL ORDER
(Continues Hearing)

RESPONDENTS.

DOCKETED BY

BY THE COMMISSION:

On December 30, 2009, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Morgan Financial, L.L.C., an Arizona limited liability company ("Morgan") and Jimmy Hartgraves, Jr. and Laurie Hartgraves, husband and wife, (collectively "Respondents") in which the Division alleged multiple violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in the form of notes.

The Respondents were duly served with copies of the Notice.

On January 28, 2010, a request for hearing was filed by Respondents.

On February 2, 2010, by Procedural Order, a pre-hearing conference was scheduled on February 25, 2010.

On February 12, 2010, a Stipulation to Continue the pre-hearing conference was filed by the parties stating that due to conflicts in Respondents' counsel's schedule a continuance was necessary. Subsequently, by Procedural Order, the pre-hearing conference was continued to March 9, 2009.

On March 9, 2010, the Division and Respondents appeared through counsel. Counsel for the Division indicated that discussions are being conducted with Respondents' counsel and requested that a status conference be scheduled in approximately 45 days.

1 On March 10, 2010, by Procedural Order, a status conference was scheduled on April 26,
2 2010.

3 On April 26, 2010, the Division and Respondents appeared through counsel at the status
4 conference. The Division and Respondents indicated that they were continuing to attempt to settle
5 the proceeding, but indicated that a brief hearing should be scheduled in late August or September to
6 avoid scheduling conflicts.

7 On April 26, 2010, by Procedural Order a hearing was scheduled on September 1, 2010, and
8 the exchange of Witness Lists and copies of Exhibits on August 2, 2010.

9 On July 27, 2010, The Division and Respondents filed a stipulation to continue the hearing
10 and the exchange of documentation because the parties are close to reaching a settlement which will
11 be submitted in the form of a Consent Order for Commission approval.

12 Accordingly, the hearing and exchange of documentation should be continued.

13 IT IS THEREFORE ORDERED that the **hearing** scheduled on September 1, 2010, shall be
14 continued to **November 2, 2010 at 10:00 a.m.**, at the Commission's offices, 1200 West Washington
15 Street, Room 100, Phoenix, Arizona.

16 IT IS FURTHER ORDERED that the parties shall also set aside **November 3, 2010, for an**
17 **additional day of hearing**, if necessary.

18 IT IS FURTHER ORDERED that the **Division and Respondents shall exchange copies of**
19 **their Witness Lists and copies of their Exhibits by October 1, 2010**, with courtesy copies provided
20 to the presiding Administrative Law Judge.

21 IT IS FURTHER ORDRED that **if the case is resolved by a proposed Consent Order prior**
22 **to the hearing, the Division shall file a Motion to Vacate the proceeding.**

23 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
24 Communications) applies to this proceeding as the matter is now set for public hearing.

25 IT IS FURTHER ORDERED that withdrawal or representation must be made in compliance
26 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
27 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances
28 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is

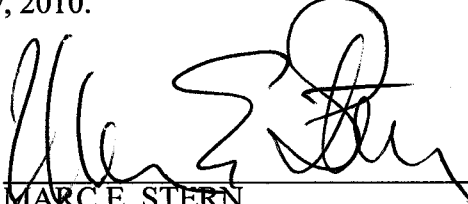
1 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the
2 Administrative Law Judge or the Commission.

3 IT IS FURTHER ORDERED that in the event a resolution of the matter is reached between
4 the parties, the Division shall request that the status conference be vacated.

5 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
6 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission
7 *pro hac vice*.

8 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
9 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

10 DATED this 30th day of July, 2010.


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MARC E. STERN
ADMINISTRATIVE LAW JUDGE

15 Copies of the foregoing mailed/delivered
16 this 30th day of July, 2010 to:

17 Donald J. Newman
18 KELLER, KELLER & NEWMAN, L.L.P.
19 7330 North 16th Street, Suite C-117
20 Phoenix, AZ 85020
21 Attorneys for Respondents

22 Matt Neubert, Director
23 Securities Division
24 ARIZONA CORPORATION COMMISSION
25 1300 West Washington Street
26 Phoenix, AZ 85007

27 ARIZONA REPORTING SERVICE, INC.
28 2200 North Central Avenue, Suite 502
Phoenix, AZ 85004-1481

25 By: 
26 Debra Broyles
27 Secretary to Marc E. Stern
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